

OFFICIAL DISPATCH

VIA AIR
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DISPATCH NO. 10007 4242

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CLASSIFICATION

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TO Chief of Base, Munich DATE 18 June 1957

FROM Chief, ER INFO: Chief of Station, Germany

SUBJECT { GENERAL
SPECIFIC Operational/CALL
CASTONE-4, Contracts

REFERENCE: DEMA 25525, 4 March 1957

ACTION REQUIRED: Project Renewal -- Reprocess Contracts

1. The contracts of CASTONE-4, are herewith returned for reprocessing.

2. KURTSEK has indicated that these contracts cannot be processed for the following reasons:

a. KURTSEK feels (and Division agrees) that a DM 50 per month raise every six months for an indefinite period is excessive. These raises added to the already substantial salaries are too high to be covered by Project CASTONE as presently written. We take full note of DEMA 23917, 7 November 1956, outlining the CENTEX pay scale and in the name of career and local custom will agree to its provisions. However, we should like to point out that your contracts go far beyond the provisions of the CENTEX policy as your contracts provide for six month increases in salary for the length of the contract.

b. Your contracts contain provisions for the equivalent of one years compensation in case of death. This we cannot accept as there is no provision for such payments in the CASTONE project outline.

3. Should you feel strongly that the payments mentioned in Paragraph 2b above should be made, it is recommended either that a project amendment be submitted justifying these costs or that the matter be held in abeyance until a project renewal is submitted by MDR providing for the additional benefits. In connection with this renewal you are reminded that CASTONE expires on 31 July and a project renewal would be appreciated as soon as possible.

4. We recommend that in the future contracts be submitted using operational pseudonyms instead of true names. If these individuals do not presently have such pseudonyms it is suggested that they be provided with them. This will save us the trouble of sanitizing the contracts and writing certificates in

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FORM NO. 51-29
IUA 1949

NAZI WAR CRIMES DISCLOSURE ACT
EXEMPTIONS Section 3(b)
(2)(A) Privacy
(2)(B) Methods/Sources
(2)(G) Foreign Relations

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order to legalize them.

5. We note also that both contracts and memos of oral agreements have been submitted on the Subject individuals. This is not necessary. In actuality we see no legal reason for contracts at all. However if you believe that the existence of a contract is any real assistance in your handling of these agents we are quite willing to go along with it. As far as fulfilling the Headquarters requirements, either one will do.

Attachment:

Contracts (Under Separate Cover)

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Distribution:

2 - MDS w/att
2 - COS w/o att
1 - RI w/o att
2 - EE/G w/o att
3 - EHH w/o att

EHH:dr

12 June 1957

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